

FIRST REGULAR SESSION

HOUSE BILL NO. 690

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES KORMAN (Sponsor), GATSCHENBERGER, BAHR, SCHATZ,
HOUGHTON, HINSON, SCHIEFFER AND MCDONALD (Co-sponsors).

0322H.03I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 142.800 and 142.869, RSMo, and to enact in lieu thereof two new sections relating to alternative fuel decal fees.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 142.800 and 142.869, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 142.800 and 142.869, to read as follows:

142.800. As used in this chapter, the following words, terms and phrases have the
2 meanings given:

3 (1) "Agricultural purposes", clearing, terracing or otherwise preparing the ground on a
4 farm; preparing soil for planting and fertilizing, cultivating, raising and harvesting crops; raising
5 and feeding livestock and poultry; building fences; pumping water for any and all uses on the
6 farm, including irrigation; building roads upon any farm by the owner or person farming the
7 same; operating milking machines; sawing wood for use on a farm; producing electricity for use
8 on a farm; movement of tractors, farm implements and nonlicensed equipment from one field
9 to another;

10 (2) "Alternative fuel", electricity, liquefied petroleum gas (LPG or LP gas), **hydrogen**,
11 compressed natural gas product, or a combination of liquefied petroleum gas and a compressed
12 natural gas or electricity product used in an internal combustion engine or motor to propel any
13 form of vehicle, machine, or mechanical contrivance. It includes all forms of fuel commonly or
14 commercially known or sold as butane, propane, or compressed natural gas;

15 (3) "Aviation fuel", any motor fuel specifically compounded for use in reciprocating
16 aircraft engines;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (4) "Blend stock", any petroleum product component of motor fuel, such as naphtha,
18 reformat, toluene or kerosene, that can be blended for use in a motor fuel without further
19 processing. The term includes those petroleum products presently defined by the Internal
20 Revenue Service in regulations pursuant to 26 U.S.C., Sections 4081 and 4082, as amended.
21 However, the term does not include any substance that:

22 (a) Will be ultimately used for consumer nonmotor fuel use; and

23 (b) Is sold or removed in drum quantities (fifty-five gallons) or less at the time of the
24 removal or sale;

25 (5) "Blended fuel", a mixture composed of motor fuel and another liquid including blend
26 stock, other than a de minimis amount of a product such as carburetor detergent or oxidation
27 inhibitor, that can be used as a fuel in a highway vehicle. This term includes but is not limited
28 to gasohol, ethanol, methanol, fuel grade alcohol, diesel fuel enhancers and resulting blends;

29 (6) "Blender", any person that produces blended motor fuel outside the bulk
30 transfer/terminal system;

31 (7) "Blending", the mixing of one or more petroleum products, with or without another
32 product, regardless of the original character of the product blended, if the product obtained by
33 the blending is capable of use or otherwise sold for use in the generation of power for the
34 propulsion of a motor vehicle, an airplane, or a motorboat. The term does not include the
35 blending that occurs in the process of refining by the original refiner of crude petroleum or the
36 blending of products known as lubricating oil and greases;

37 (8) "Bulk plant", a bulk motor fuel storage and distribution facility that is not a terminal
38 within the bulk transfer system and from which motor fuel may be removed by truck;

39 (9) "Bulk transfer", any transfer of motor fuel from one location to another by pipeline
40 tender or marine delivery within the bulk transfer/terminal system;

41 (10) "Bulk transfer/terminal system", the motor fuel distribution system consisting of
42 refineries, pipelines, vessels, and terminals. Motor fuel in a refinery, pipeline, boat, barge or
43 terminal is in the bulk transfer/terminal system. Motor fuel in the fuel supply tank of any engine,
44 or in any tank car, rail car, trailer, truck, or other equipment suitable for ground transportation
45 is not in the bulk transfer/terminal system;

46 (11) "Consumer", the user of the motor fuel;

47 (12) "Delivery", the placing of motor fuel or any liquid into the fuel tank of a motor
48 vehicle or bulk storage facility;

49 (13) "Department", the department of revenue;

50 (14) "Destination state", the state, territory, or foreign country to which motor fuel is
51 directed for delivery into a storage facility, a receptacle, a container, or a type of transportation
52 equipment for the purpose of resale or use;

53 (15) "Diesel fuel", any liquid that is commonly or commercially known or sold as a fuel
54 that is suitable for use in a diesel-powered highway vehicle. A liquid meets this requirement if,
55 without further processing or blending, the liquid has practical and commercial fitness for use
56 in the propulsion engine of a diesel-powered highway vehicle. "Diesel fuel" does not include
57 jet fuel sold to a buyer who is registered with the Internal Revenue Service to purchase jet fuel
58 and remit taxes on its sale or use to the Internal Revenue Service. "Diesel fuel" does not include
59 biodiesel commonly referred to as B100 and defined in ASTM D6751, B99, or B99.9 until such
60 biodiesel is blended with other diesel fuel or sold for highway use;

61 (16) "Diesel-powered highway vehicle", a motor vehicle operated on a highway that is
62 propelled by a diesel-powered engine;

63 (17) "Director", the director of revenue;

64 (18) "Distributor", a person who either produces, refines, blends, compounds or
65 manufactures motor fuel, imports motor fuel into a state or exports motor fuel out of a state, or
66 who is engaged in distribution of motor fuel;

67 (19) "Dyed fuel", diesel fuel or kerosene that is required to be dyed pursuant to United
68 States Environmental Protection Agency rules or is dyed pursuant to Internal Revenue Service
69 rules or pursuant to any other requirements subsequently set by the United States Environmental
70 Protection Agency or Internal Revenue Service including any invisible marker requirements;

71 (20) "Eligible purchaser", a distributor who has been authorized by the director to
72 purchase motor fuel on a tax-deferred basis;

73 (21) "Export", to obtain motor fuel in this state for sale or other distribution outside of
74 this state. In applying this definition, motor fuel delivered out of state by or for the seller
75 constitutes an export by the seller, and motor fuel delivered out of state by or for the purchaser
76 constitutes an export by the purchaser;

77 (22) "Exporter", any person, other than a supplier, who purchases motor fuel in this state
78 for the purpose of transporting or delivering the fuel outside of this state;

79 (23) "Farm tractor", all tractor-type, motorized farm implements and equipment but shall
80 not include motor vehicles of the truck-type, pickup truck-type, automobiles, and other motor
81 vehicles required to be registered and licensed each year pursuant to the provisions of the motor
82 vehicle license and registration laws of this state;

83 (24) "Fuel grade alcohol", a methanol or ethanol with a proof of not less than one
84 hundred ninety degrees (determined without regard to denaturants) and products derived from
85 such alcohol for blending with motor fuel;

86 (25) "Fuel transportation vehicle", any vehicle designed for highway use which is also
87 designed or used to transport motor fuels and includes transport trucks and tank wagons;

88 (26) "Gasoline", all products commonly or commercially known or sold as gasoline that
89 are suitable for use as a motor fuel. Gasoline does not include products that have an American
90 Society for Testing and Materials (ASTM) octane number of less than seventy-five as determined
91 by the motor method;

92 (27) "Gross gallons", the total measured motor fuel, exclusive of any temperature or
93 pressure adjustments, in U.S. gallons;

94 (28) "Heating oil", a motor fuel that is burned in a boiler, furnace, or stove for heating
95 or industrial processing purposes;

96 (29) "Import", to bring motor fuel into this state by any means of conveyance other than
97 in the fuel supply tank of a motor vehicle. In applying this definition, motor fuel delivered into
98 this state from out-of-state by or for the seller constitutes an import by the seller, and motor fuel
99 delivered into this state from out-of-state by or for the purchaser constitutes an import by the
100 purchaser;

101 (30) "Import verification number", the number assigned by the director with respect to
102 a single transport truck delivery into this state from another state upon request for an assigned
103 number by an importer or the transporter carrying motor fuel into this state for the account of an
104 importer;

105 (31) "Importer" includes any person who is the importer of record, pursuant to federal
106 customs law, with respect to motor fuel. If the importer of record is acting as an agent, the
107 person for whom the agent is acting is the importer. If there is no importer of record of motor
108 fuel entered into this state, the owner of the motor fuel at the time it is brought into this state is
109 the importer;

110 (32) "Interstate motor fuel user", any person who operates a motor fuel-powered motor
111 vehicle with a licensed gross weight exceeding twenty-six thousand pounds that travels from this
112 state into another state or from another state into this state;

113 (33) "Invoiced gallons", the gallons actually billed on an invoice for payment to a
114 supplier which shall be either gross or net gallons on the original manifest or bill of lading;

115 (34) "K-1 kerosene", a petroleum product having an A.P.I. gravity of not less than forty
116 degrees, at a temperature of sixty degrees Fahrenheit and a minimum flash point of one hundred
117 degrees Fahrenheit with a sulfur content not exceeding four one-hundredths percent by weight;

118 (35) "Kerosene", the petroleum fraction containing hydrocarbons that are slightly heavier
119 than those found in gasoline and naphtha, with a boiling range of one hundred forty-nine to three
120 hundred degrees Celsius;

121 (36) "Liquid", any substance that is liquid in excess of sixty degrees Fahrenheit and at
122 a pressure of fourteen and seven-tenths pounds per square inch absolute;

123 (37) "Motor fuel", gasoline, diesel fuel, kerosene and blended fuel;

124 (38) "Motor vehicle", any automobile, truck, truck-tractor or any motor bus or
125 self-propelled vehicle not exclusively operated or driven upon fixed rails or tracks. The term
126 does not include:

127 (a) Farm tractors or machinery including tractors and machinery designed for off-road
128 use but capable of movement on roads at low speeds, or

129 (b) A vehicle solely operated on rails;

130 (39) "Net gallons", the motor fuel, measured in U.S. gallons, when corrected to a
131 temperature of sixty degrees Fahrenheit and a pressure of fourteen and seven-tenths pounds per
132 square inch absolute (psi);

133 (40) "Permissive supplier", an out-of-state supplier that elects, but is not required, to
134 have a supplier's license pursuant to this chapter;

135 (41) "Person", natural persons, individuals, partnerships, firms, associations,
136 corporations, estates, trustees, business trusts, syndicates, this state, any county, city,
137 municipality, school district or other political subdivision of the state, federally recognized
138 Indian tribe, or any corporation or combination acting as a unit or any receiver appointed by any
139 state or federal court;

140 (42) "Position holder", the person who holds the inventory position in motor fuel in a
141 terminal, as reflected on the records of the terminal operator. A person holds the inventory
142 position in motor fuel when that person has a contract with the terminal operator for the use of
143 storage facilities and terminating services for motor fuel at the terminal. The term includes a
144 terminal operator who owns motor fuel in the terminal;

145 (43) "Propel", the operation of a motor vehicle, whether it is in motion or at rest;

146 (44) "Public highway", every road, toll road, highway, street, way or place generally open
147 to the use of the public as a matter of right for the purposes of vehicular travel, including streets
148 and alleys of any town or city notwithstanding that the same may be temporarily closed for
149 construction, reconstruction, maintenance or repair;

150 (45) "Qualified terminal", a terminal which has been assigned a terminal control number
151 ("tcn") by the Internal Revenue Service;

152 (46) "Rack", a mechanism for delivering motor fuel from a refinery or terminal into a
153 railroad tank car, a transport truck or other means of bulk transfer outside of the bulk
154 transfer/terminal system;

155 (47) "Refiner", any person that owns, operates, or otherwise controls a refinery;

156 (48) "Refinery", a facility used to produce motor fuel from crude oil, unfinished oils,
157 natural gas liquids, or other hydrocarbons and from which motor fuel may be removed by
158 pipeline, by boat or barge, or at a rack;

(49) "Removal", any physical transfer of motor fuel from a terminal, manufacturing plant, customs custody, pipeline, boat or barge, refinery or any facility that stores motor fuel;

(50) "Retailer", a person that engages in the business of selling or dispensing to the consumer within this state;

(51) "Supplier", a person that is:

(a) Registered or required to be registered pursuant to 26 U.S.C., Section 4101, for transactions in motor fuels in the bulk transfer/terminal distribution system; and

(b) One or more of the following:

a. The position holder in a terminal or refinery in this state;

b. Imports motor fuel into this state from a foreign country;

c. Acquires motor fuel from a terminal or refinery in this state from a position holder pursuant to either a two-party exchange or a qualified buy-sell arrangement which is treated as an exchange and appears on the records of the terminal operator; or

d. The position holder in a terminal or refinery outside this state with respect to motor fuel which that person imports into this state. A terminal operator shall not be considered a supplier based solely on the fact that the terminal operator handles motor fuel consigned to it within a terminal. "Supplier" also means a person that produces fuel grade alcohol or alcohol-derivative substances in this state, produces fuel grade alcohol or alcohol-derivative substances for import to this state into a terminal, or acquires upon import by truck, rail car or barge into a terminal, fuel grade alcohol or alcohol-derivative substances. "Supplier" includes a permissive supplier unless specifically provided otherwise;

(52) "Tank wagon", a straight truck having multiple compartments designed or used to carry motor fuel;

(53) "Terminal", a bulk storage and distribution facility which includes:

(a) For the purposes of motor fuel, is a qualified terminal;

(b) For the purposes of fuel grade alcohol, is supplied by truck, rail car, boat, barge or pipeline and the products are removed at a rack;

(54) "Terminal bulk transfers" include but are not limited to the following:

(a) Boat or barge movement of motor fuel from a refinery or terminal to a terminal;

(b) Pipeline movements of motor fuel from a refinery or terminal to a terminal;

(c) Book transfers of product within a terminal between suppliers prior to completion of removal across the rack; and

(d) Two-party exchanges or buy-sell supply arrangements within a terminal between licensed suppliers;

193 (55) "Terminal operator", any person that owns, operates, or otherwise controls a
194 terminal. A terminal operator may own the motor fuel that is transferred through or stored in the
195 terminal;

196 (56) "Transmix", the buffer or interface between two different products in a pipeline
197 shipment, or a mix of two different products within a refinery or terminal that results in an
198 off-grade mixture;

199 (57) "Transport truck", a semitrailer combination rig designed or used to transport motor
200 fuel over the highways;

201 (58) "Transporter", any operator of a pipeline, barge, railroad or transport truck engaged
202 in the business of transporting motor fuels;

203 (59) "Two-party exchange", a transaction in which the motor fuel is transferred from one
204 licensed supplier or licensed permissive supplier to another licensed supplier or licensed
205 permissive supplier and:

206 (a) Which transaction includes a transfer from the person that holds the original
207 inventory position for motor fuel in the terminal as reflected on the records of the terminal
208 operator; and

209 (b) The exchange transaction is simultaneous with removal from the terminal by the
210 receiving exchange partner. However, in any event, the terminal operator in its books and
211 records treats the receiving exchange party as the supplier which removes the product across a
212 terminal rack for purposes of reporting such events to this state;

213 (60) "Ultimate vendor", a person that sells motor fuel to the consumer;

214 (61) "Undyed diesel fuel", diesel fuel that is not subject to the United States
215 Environmental Protection Agency dyeing requirements, or has not been dyed in accordance with
216 Internal Revenue Service fuel dyeing provisions; and

217 (62) "Vehicle fuel tank", any receptacle on a motor vehicle from which fuel is supplied
218 for the propulsion of the motor vehicle.

142.869. 1. **(1)** The tax imposed by this chapter shall not apply to passenger motor
2 vehicles, buses as defined in section 301.010, or commercial motor vehicles registered in this
3 state which are powered by alternative fuel, and for which a valid **alternative fuel** decal has been
4 acquired as provided in this section. The owners or operators of such motor vehicles shall, in
5 lieu of the tax imposed by section 142.803, pay an annual alternative fuel decal fee as follows:

6 **(a)** [seventy-five] **One hundred forty** dollars on each passenger motor vehicle, school
7 bus as defined in section 301.010, and commercial motor vehicle with a licensed gross vehicle
8 weight of eighteen thousand pounds or less;

9 **(b)** One hundred **eighty-five** dollars on each motor vehicle with a licensed gross weight
10 in excess of eighteen thousand pounds but not more than thirty-six thousand pounds used for

11 farm or farming transportation operations and registered with a license plate designated with the
12 letter "F";

13 (c) [one] **Two** hundred [fifty] **eighty** dollars on each motor vehicle with a licensed gross
14 vehicle weight in excess of eighteen thousand pounds but less than or equal to thirty-six thousand
15 pounds, and each passenger-carrying motor vehicle subject to the registration fee provided in
16 sections 301.059, 301.061 and 301.063;

17 (d) [two] **Four** hundred [fifty] **seventy** dollars on each motor vehicle with a licensed
18 gross weight in excess of thirty-six thousand pounds used for farm or farming transportation
19 operations and registered with a license plate designated with the letter "F"; [and]

20 (e) One thousand **four hundred** dollars on each motor vehicle with a licensed gross
21 vehicle weight in excess of thirty-six thousand pounds **but less than forty-eight thousand**
22 **pounds; and**

23 (f) **One thousand eight hundred dollars on each motor vehicle with a licensed gross**
24 **vehicle weight in excess of forty-eight thousand pounds.**

25 (2) Notwithstanding provisions of this section to the contrary, motor vehicles licensed
26 as historic under section 301.131 which are powered by alternative fuel shall be exempt from
27 both the tax imposed by this chapter and the alternative fuel decal requirements of this section.

28 2. Except interstate fuel users and vehicles licensed under a reciprocity agreement as
29 defined in section 142.617, the tax imposed by section 142.803 shall not apply to motor vehicles
30 registered outside this state which are powered by alternative fuel, and for which a valid
31 temporary alternative fuel decal has been acquired as provided in this section. The owners or
32 operators of such motor vehicles shall, in lieu of the tax imposed by section 142.803, pay a
33 temporary alternative fuel decal fee of [eight] **twelve** dollars on each such vehicle. Such decals
34 shall be valid for a period of fifteen days from the date of issuance and shall be attached to the
35 lower right-hand corner of the front windshield on the motor vehicle for which it was issued.
36 Such **temporary** decal and fee shall not be transferable. [All proceeds from such decal fees shall
37 be deposited as specified in section 142.345.] Alternative fuel dealers selling such decals in
38 accordance with rules and regulations prescribed by the director shall be allowed to retain fifty
39 cents for each decal fee timely remitted to the director.

40 3. The director shall annually, on or before January thirty-first of each year, collect or
41 cause to be collected from owners or operators of the motor vehicles specified in subsection 1
42 of this section the annual decal fee. Applications for such decals shall be **created and** supplied
43 by the department of revenue. In the case of a motor vehicle which is not in operation by January
44 thirty-first of any year, a decal may be purchased for a fractional period of such year, and the
45 amount of the decal fee shall be reduced by one-twelfth for each complete month which shall
46 have elapsed since the beginning of such year.

47 4. Upon the payment of the fee required by subsection 1 of this section, the director shall
48 issue a decal, which shall be valid for the current calendar year and shall be attached to the lower
49 right-hand corner of the front windshield on the motor vehicle for which it was issued.

50 5. The decal fee paid pursuant to subsection 1 of this section for each motor vehicle shall
51 be transferable upon a change of ownership of the motor vehicle and, if the LP gas or natural gas
52 equipment is removed from a motor vehicle upon a change of ownership and is reinstalled in
53 another motor vehicle, upon such reinstallation. Such transfers shall be accomplished in
54 accordance with rules and regulations promulgated by the director.

55 6. It shall be unlawful for any person to operate a motor vehicle required to have an
56 alternative fuel decal upon the highways of this state without a valid decal.

57 7. No person shall cause to be put, or put, LP gas or natural gas into the fuel supply
58 receptacle of a motor vehicle required to have an alternative fuel decal unless the motor vehicle
59 has a valid decal attached to it. Sales of fuel placed in the supply receptacle of a motor vehicle
60 displaying such decal shall be recorded upon an invoice, which invoice shall include the decal
61 number, the motor vehicle license number and the number of gallons placed in such supply
62 receptacle.

63 8. Any person violating any provision of this section is guilty of an infraction and shall,
64 upon conviction thereof, be fined five hundred dollars.

65 9. Motor vehicles displaying a valid alternative fuel decal are exempt from the licensing
66 and reporting requirements of this chapter.

67 **10. All proceeds from the decal fees imposed and collected under this section shall**
68 **be credited to the state highways and transportation department fund created in section**
69 **226.200.**

70 **11. For all new alternative fuel-powered vehicles assembled in Missouri, the first**
71 **year's decal fee shall be one-half of the fees as listed in this section.**

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